USPS Relying on Flawed Data for Closure Plans

Washington, DC - Congressman Maurice Hinchey (D-NY) and 110 other U.S. House members today called on Postmaster General Patrick Donahoe to institute a moratorium on United States Postal Service (USPS) discontinuance studies, which will determine if more than 3,600 post offices and other retail facilities should be closed. In a letter signed by the bipartisan group, Hinchey cited a Postal Regulatory Commission (PRC) report that points to deep flaws with the data used by the USPS to determine which postal facilities should be considered for closure.

"The data the U.S. Postal Service used to select which post offices it would consider for closure was incomplete, inaccurate and inappropriately targeted rural post offices," said Hinchey. "I'm calling on the Postmaster General to halt all discontinuance studies. Unless they start operating with better information, they could do more harm than good."

The House members outlined several problems cited by the PRC's <u>report</u> on the USPS Retail Access Optimization Initiative (RAOI), including:

- Incomplete data for all Post Offices, branches and stations. Currently, the USPS does not have inclusive data for every individual office, branch or station, which makes it impossible to accurately calculate cost savings from proposed closures.
- Inaccurate representations of usage and revenues for all Post Offices, branches and stations. For example, revenue measurements do not include transactions such as post office box visits, exceptional dispatch for local periodicals, or alternate revenue transactions such as business mail or returns.
- Estimates of the distance between postal facilities that are undergoing a discontinuance study and others nearby that would be required to absorb the consumer base use geographical distance rather than actual driving distance. While the discontinuance study may address this issue, the RAOI needs to provide this information at a preliminary stage so accurate assessments can be used to inform which Post Offices, branches or station are eligible for a discontinuance study.
- The low workload and revenue screen included in the RAOI disproportionately targets rural post offices for discontinuance studies. Targeting rural post offices for discontinuance studies clearly violates 39 U.S.C. 101(b), which maintains that the USPS is required to provide effective and regular postal service to rural communities.

The letter is cosigned by Representatives Michael Grimm, Gary Ackerman, Jason Altmire, Joe Baca, Karen Bass, Shelley Berkley, Sanford Bishop, Tim Bishop, Earl Blumenauer, Madeline Bordallo, Robert Brady, Bruce Braley, G.K. Butterfield, Lois Capps, Michael Capuano, Russ Carnahan, John Carney, Judy Chu, David Cicilline, Yvette D. Clarke, Hansen Clarke, Wm. Lacy Clay, Emmanual Cleaver, Steve Cohen, Gerry Connolly, John Conyers Jr., Mark Critz, Peter DeFazio, Rosa DeLauro, Ted Deutch, Mike Doyle, Donna Edwards, Keith Ellison, Eliot Engel, Bob Filner, Barney Frank, Charlie Gonzalez, Al Green, Gene Green, Raul Grijalva, Michael Grimm, Luis Gutierrez, Alcee Hastings, Brian Higgins, Jim Himes, Mazie Hirono, Tim Holden, Rush Holt, Jesse Jackson Jr., Sheila Jackson Lee, Hank Johnson, Eddie Bernice Johnson, Marcy Kaptur, William Keating, Dale Kildee, Ron Kind, Larry Kissell, Dennis Kucinich, Barbara Lee, John Lewis, David Loebsack, Zoe Lofgren, Nita Lowey, Ben Ray Lujan, Carolyn Maloney, Doris Matsui, Carolyn McCarthy, Betty McCollum, Jim McDermott, James McGovern, Mike McIntyre, David McKinley, Jerry McNerney, Mike Michaud, Brad Miller, Gwen Moore, John Olver, Bill Owens, Frank Pallone, Bill Pascrell, Donald M Payne, Gary Peters, Collin Peterson, Pedro Pierluisi, Chellie Pingree, Nick Rahall, Charles Rangel, Silvestre Reyes, Laura Richardson, Steve Rothman, Bobby Rush, Tim Ryan, Loretta Sanchez, Jan Schakowsky, Adam Schiff, Bobby Scott, Jose Serrano, Terri Sewell, Heath Shuler, Albio Sires, Louise Slaughter, Fortney Pete Stark, Betty Sutton, Bennie G. Thompson, Mike Thompson, Paul Tonko, Ed Towns, Maxine Waters, Peter Welch, Lynn Woolsey and John Yarmuth.

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Patrick R. Donahoe, Postmaster General United States Postal Service 475 L'Enfant Plaza, SW Washington, DC 20260-0010

Dear Mr. Donahoe:

We understand that the United States Postal Service (USPS) is facing acute financial difficulties, and as a result, has made the decision to begin the process of closing thousands of postal facilities. We share your concern about the solvency of the USPS and its future as our nation's postal service.

Recently however, the Postal Regulatory Commission (PRC) reviewed the Postal Service's Retail Access Optimization Initiative (RAOI), which is being used as the basis for the possible

closure of more than 3,600 post offices and other retail facilities, and found serious flaws with the analysis that call into question the USPS's current consolidations plans. We share the concerns of the PRC, and ask for you to place a moratorium on the USPS's current discontinuance studies until the USPS resolves the numerous problems the PRC identified in the RAIO. These include:

- Incomplete data for all Post Offices, branches and stations. Currently, the USPS does not have inclusive data for every individual office, branch or station, which makes it impossible to accurately calculate cost savings from proposed closures.
- Inaccurate representations of usage and revenues for all Post Offices, branches and stations. For example, revenue measurements do not include transactions such as post office box visits, exceptional dispatch for local periodicals, or alternate revenue transactions such as business mail or returns.
- Estimates of the distance between postal facilities that are undergoing a discontinuance study and others nearby that would be required to absorb the consumer base use geographical distance rather than actual driving distance. While the discontinuance study may address this issue, the RAOI needs to provide this information at a preliminary stage so accurate assessments can be used to inform which Post Offices, branches or station are eligible for a discontinuance study.
- The low workload and revenue screen included in the RAOI disproportionately targets rural post offices for discontinuance studies. Targeting rural post offices for discontinuance studies clearly violates 39 U.S.C. 101(b), which maintains that the USPS is required to provide effective and regular postal service to rural communities.

We strongly urge you to rectify these issues within the RAOI before proceeding with any discontinuance studies or closures. The closure of Post Offices, stations, and branches will undoubtedly affect communities and lead to the loss of middle class jobs. We remain dedicated to protecting our nation's postal service and ensuring that all communities are adequately served by the USPS.

Sincerely,

Monday,	13	February	2012	13:28
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Maurice D. Hinchey

Member of Congress